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REPORT

on the proposal for a Council regulation on the establishment of the
"ARTEMIS Joint Undertaking" to implement a Joint Technology Initiative in
Embedded Computing Systems
(COM(2007)0243 – C6-0172/2007 – 2007/0088(CNS))

Committee on Industry, Research and Energy

Rapporteur: Gianni De Michelis

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- *** Assent procedure
majority of Parliament's component Members except in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	33
OPINION OF THE COMMITTEE ON BUDGETS	36
PROCEDURE.....	47

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council regulation on the establishment of the "ARTEMIS Joint Undertaking" to implement a Joint Technology Initiative in Embedded Computing Systems

(COM(2007)0243 – C6-0172/2007 – 2007/0088(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2007)0243),
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹ (Financial Regulation), and in particular Article 185 thereof,
 - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management² (IIA), and in particular Point 47 thereof,
 - having regard to Articles 171 and 172 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0172/2007),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A6-0484/2007),
1. Approves the Commission proposal as amended;
 2. Considers that the reference amount indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the current multiannual financial framework 2007-2013 and with the provisions of Point 47 of the Interinstitutional Agreement (IIA) of 17 May 2006; notes that any financing beyond 2013 will be evaluated in the context of the negotiations for the next financial framework;
 3. Recalls that the opinion delivered by the Committee on Budgets does not pre-empt the outcome of the procedure laid down in Point 47 of the IIA of 17 May 2006 which applies to the setting up of the ARTEMIS Joint Undertaking;
 4. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty and Article 119, second paragraph, of the Euratom Treaty;
 5. Calls on the Council to notify Parliament if it intends to depart from the text approved by

¹ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

² OJ C 139, 14.6.2006, p. 1.

Parliament;

6. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
7. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Recital 11

(11) The ambition and scope of the stated objectives of the JTI on Embedded Computing Systems, the scale of the financial and technical resources that need to be mobilised, and the need to achieve effective coordination and synergy of resources and funding, call for action to be taken by the Community. Therefore, it is necessary to set up a Joint Undertaking (hereinafter referred to as the “ARTEMIS Joint Undertaking”) under Article 171 of the Treaty as a legal entity responsible for the implementation of the JTI on "Embedded Computing Systems". To ensure the appropriate management of R&D activities initiated under the Seventh Framework Programme (2007-2013), the ARTEMIS Joint Undertaking should be set up for a period ending on 31 December 2017, ***which may be extended.***

(11) The ambition and scope of the stated objectives of the JTI on Embedded Computing Systems, the scale of the financial and technical resources that need to be mobilised, and the need to achieve effective coordination and synergy of resources and funding, call for action to be taken by the Community. Therefore, it is necessary to set up a Joint Undertaking (hereinafter referred to as the “ARTEMIS Joint Undertaking”) under Article 171 of the Treaty as a legal entity responsible for the implementation of the JTI on "Embedded Computing Systems". To ensure the appropriate management of R&D activities initiated under the Seventh Framework Programme (2007-2013), the ARTEMIS Joint Undertaking should be set up for a period ending on 31 December 2017. ***It should be ensured that after the last call for proposals in 2013 projects still in progress are implemented, monitored and funded until 2017.***

If adopted, this amendment will apply throughout the text

Justification

- 1. As agreed, the JTI will have a limited duration. A sunset clause is then included in Rec. 11, Art. 1.1, Art. 18.1.*
- 2. Duration: the JTI should end preferably in 2017. We should ensure that after the last call for proposals in 2013 the projects are implemented, monitored and funded until 2017, and*

that the administrative structure is then running until all projects have been completed. The rapporteur prefers that this be stated clearly in the regulation.

Amendment 2
Recital 12

(12) The ARTEMIS Joint Undertaking should *be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament¹, on the recommendation of the Council, taking however into account the specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.*

(12) The ARTEMIS Joint Undertaking should *respect the Court of Auditor's competence to examine the revenue and expenditures accounts of all bodies set up by the European Communities and should recognize the specificities of the Joint Technology Initiatives as new mechanisms for implementing public private partnerships, in order to find a more effective solution for the purpose of discharging the Community's budget.*

Amendment 3
Recital 21

(21) The need to ensure stable employment conditions and equal treatment of staff, and *in order* to attract specialised scientific and technical staff of the highest calibre, requires *the application of the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the European Communities, ("the Staff Regulation") to all staff recruited by the ARTEMIS Joint Undertaking.*

(21) The need to ensure stable employment conditions and equal treatment of staff and to attract specialised scientific and technical staff of the highest calibre, requires *that the Commission be authorised to second as many officials as needed to the ARTEMIS Joint Undertaking. The remaining staff should be recruited by the ARTEMIS Joint Undertaking in accordance with host country employment regulations.*

Amendment 4
Recital 25

(25) The ARTEMIS Joint Undertaking *should have, subject to prior consultation with the Commission, a distinct financial regulation based on the principles of the framework financial regulation which takes into account* its specific operating

(25) *The financial rules applicable to the ARTEMIS Joint Undertaking should not depart from Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in*

¹ Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities, OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39.

needs *arising*, in particular, *from* the need to combine Community and national funding to support R&D Activities in an efficient and timely manner.

Article 185 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, unless its specific operating needs so require, in particular the need to combine Community and national funding to support R&D Activities in an efficient and timely manner. The prior consent of the Commission is required for the adoption of any rules which depart from Regulation (EC, Euratom) No 2343/2002. The budgetary authority should be informed of such derogations.

¹ OJ L 357, 31.12.2002, p. 72. Corrigendum in OJ L 2, 7.1.2003, p. 39.

Justification

Derogations from Regulation (EC, Euratom) No 2343/2002 should be kept to an absolute minimum. The Joint Undertaking has to prove beyond any doubt that such a derogation is the only way to guarantee its proper functioning within the limits of its founding regulation.

Amendment 5 **Article 1, paragraph 1**

1. For the implementation of the Joint Technology Initiative (JTI) on Embedded Computing Systems, a Joint Undertaking within the meaning of Article 171 of the Treaty hereinafter referred to as the "ARTEMIS Joint Undertaking" is hereby set up for a period ending on 31 December 2017. ***This period may be extended by a revision of this Regulation.***

1. For the implementation of the Joint Technology Initiative (JTI) on Embedded Computing Systems, a Joint undertaking within the meaning of Article 171 of the Treaty hereinafter referred to as the "ARTEMIS Joint Undertaking" is hereby set up for a period ending on 31 December 2017. ***It shall be ensured that after the last call for proposals in 2013 projects still in progress are implemented, monitored and funded until 2017.***

Amendment 6 **Article 2, point d)**

(d) ensure the efficiency and durability of the JTI on Embedded Computing Systems;

deleted

Justification

The definition of “JTI” is unclear. Do the other objectives defined in 2.1 not already comprise the entire JTI? If not, what does sub d specifically add to these other objectives? Objectives a, b, c, and e. are defining the concrete structures and objectives on how to implement the JTI through the Joint Undertaking, but d. is only stating that activities should be performed to “ensure efficiency and durability” of the JTI. This is not concrete and it might mean that the JU scope might be broader than what has been made specific under a, b, c, and e.

Amendment 7

Article 2, point (d a) (new)

(da) promote the involvement of SMEs in its activities;

Justification

It is important to specify the role of the SMEs in the objectives.

Amendment 8

Article 4, paragraph 2, point (a)

(a) a financial contribution from ARTEMISIA of up to EUR 20 million or up to 1% of the overall costs of Projects , whichever figure is higher, but not exceeding **EUR [30] million**;

(a) a financial contribution from ARTEMISIA of up to EUR 20 million or up to 1% of the overall costs of Projects , whichever figure is higher, but not exceeding **EUR 30 million**;

Justification

Brackets have to be removed to be consistent with Article 10.4 (a) of the JU statutes.

Amendment 9

Article 4, paragraph 2, subparagraph 1a (new)

The sum of the contributions referred to in points (a) and (b) shall not exceed 5% of the overall budget of the ARTEMIS Joint Undertaking.

Amendment 10

Article 4, paragraph 3, point b)

(b) financial contributions from ARTEMIS Member States made in the form of annual

(b) financial contributions from ARTEMIS Member States made in the form of annual

commitments to be disbursed directly to research and development organisations participating in the R&D Projects;

commitments to be disbursed directly to research and development organisations participating in the R&D Projects;
ARTEMIS Member States shall ensure that national funds are allocated within the shortest possible delay.

Justification

It is essential for the participants to ARTEMIS calls to know that national financing are assigned within the shortest delay once the evaluation at EU level is completed. Especially for business it is extremely important to have legal certainty and a reliable timetable to plan the investments needed to realise the winning projects.

Amendment 11
Article 4, paragraph 3 a (new)

3a. The financial contributions to the cost of Projects from public funds shall be conditional on in-kind contributions to the Projects submitted by research and development organisations to cover their share of the costs of the Projects.

Justification

In-kind contributions are not sources of financing of the JU, but contributions to Projects that are partly funded through the JU, but take place outside the JU. The intention of the clause is probably to make clear that Projects will only be partly funded by public authorities and that R&D actors should contribute to Projects as well. By making such contributions a condition to the public funding this principle is expressed more clearly.

Amendment 12
Article 6, paragraph 1

1. The ARTEMIS Joint Undertaking Financial Regulation shall be based on the principles of the Framework Financial Regulation. It may depart from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission.

1. The financial rules of the ARTEMIS Joint Undertaking may not depart from Regulation (EC, Euratom) No 2343/2002, unless its specific operating needs so require and subject to the prior consent of the Commission. The budgetary authority shall be informed of such derogations.

Amendment 13
Article 7, paragraph 5, point (c)

(c) The evaluation and selection process shall ensure that allocation of the ARTEMIS Joint Undertaking public funding follows the principles of excellence and competition.

c) The evaluation and selection process, ***which shall be carried out with the assistance of external experts***, shall ensure that allocation of the ARTEMIS Joint Undertaking public funding follows the principles of excellence and competition.

Justification

It's clarified the principle, evoked several times in the text but never explicitly stated, that the evaluation process is run with the assistance of panels with external and independent experts.

Amendment 14
Article 8, paragraph 1

1. The Staff Regulations of Officials of the European Communities, the Conditions of Employment of Other Servants of the European Communities and the rules adopted jointly by the European Community institutions for the purpose of applying these Staff Regulations and Conditions of Employment shall apply to the staff of the ARTEMIS Joint Undertaking and its Executive Director.

1. The ARTEMIS Joint Undertaking shall recruit its staff in accordance with applicable regulations of the host country. The Commission may second to the ARTEMIS Joint Undertaking as many officials as may be needed.

Amendment 15
Article 8, paragraph 2

2. In respect of its staff, the ARTEMIS Joint Undertaking shall exercise the powers conferred on the appointing authority by the Staff Regulations of Officials of the European Communities and on the authority empowered to conclude contracts by the Conditions of Employment of Other Servants of the European Communities.

deleted

Amendment 16
Article 8, paragraph 3

3. The Governing Board shall, in agreement with the Commission, adopt the necessary implementing measures, ***in accordance with arrangements provided for in article 110 of the Staff Regulations of Officials of the European Communities, and the Conditions of Employment of Other Servants of the European Communities.***

3. The Governing Board shall, in agreement with the Commission, adopt the necessary implementing measures ***regarding the secondment of officials*** of the European Communities.

Amendment 17
Article 9

Article 9

Privileges and Immunities

The Protocol on the Privileges and Immunities of the European Communities shall apply to the ARTEMIS Joint Undertaking and its staff.

deleted

Amendment 18
Article 10, paragraph 1

1. The contractual liability of the ARTEMIS Joint Undertaking shall be governed by ***law applicable to*** the relevant contractual provisions.

1. The contractual liability of the ARTEMIS Joint Undertaking shall be governed by the relevant contractual provisions ***and by the law applicable to the agreement or contract in question.***

Justification

Some essential clauses from Article 19 of the JU Statutes have been inserted to make sure there is no discrepancy between this article and Article 19 of the Statutes.

Amendment 19
Article 10, paragraph 3 a (new)

3a. The ARTEMIS Joint Undertaking shall be solely responsible for meeting its obligations.

Justification

Some essential clauses from Article 19 of the JU Statutes have been inserted to make sure there is no discrepancy between this Article and Article 19 of the Statutes.

Amendment 20
Article 10, paragraph 3 b (new)

3b. The ARTEMIS Joint Undertaking shall not be responsible for meeting the financial obligations of its Members. It shall not be liable for any ARTEMIS Member State failing to meet its obligations resulting from calls for proposals launched by the ARTEMIS Joint Undertaking.

Justification

Some essential clauses from Article 19 of the JU Statutes have been inserted to make sure there is no discrepancy between this Article and Article 19 of the Statutes.

Amendment 21
Article 10, paragraph 3 c (new)

3c. The Members shall not be liable for any of the ARTEMIS Joint Undertaking's obligations. The financial liability of the Members shall be an internal liability towards the ARTEMIS Joint Undertaking only, limited to their commitment to contribute to the resources as set out in Article 4.

Justification

Some essential clauses from Article 19 of the JU Statutes have been inserted to make sure there is no discrepancy between this Article and Article 19 of the Statutes.

Amendment 22
Article 12, paragraph 2

2. No later than 31 December **2010 and 31 December 2015**, the Commission shall **conduct** interim **evaluations** of the ARTEMIS Joint Undertaking with the assistance of independent experts. This evaluation shall cover the quality and efficiency of the ARTEMIS Joint

2. No later than 31 December **2010**, the Commission shall **present to the European Parliament and the Council an** interim **evaluation** of the ARTEMIS Joint Undertaking **prepared** with the assistance of independent experts. This evaluation shall cover the quality and efficiency of the

Undertaking and progress towards the objectives set. ***The Commission shall communicate the conclusions thereof, accompanied by its observations to the European Parliament and the Council.***

ARTEMIS Joint Undertaking and progress towards the objectives set.

Justification

- 1. The rapporteur suggests to keep 2010 for similarity with FP7 practice and also to let time enough for eventual revision of the regulation.*
- 2. The evaluation in 2015 is not needed.*
- 3. It should be stated clearly that the interim evaluation is conducted and presented to the EP and the Council by 2010.*

Amendment 23
Article 12, paragraph 3

3. By 31 March 2018, the Commission shall conduct a final evaluation of the ARTEMIS Joint Undertaking with the assistance of independent experts. The results of the final evaluation shall be presented to the European Parliament and the Council. *deleted*

Amendment24
Article 12, point 4

Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure provided for by the ***Financial Regulation*** of the ARTEMIS Joint Undertaking.

Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure provided for by the ***financial rules*** of the ARTEMIS Joint Undertaking, ***respecting the Court of Auditor's competence to examine the revenue and expenditures accounts of all bodies set up by the Communities and recognizing the specificities of the Joint Technology Initiatives as new mechanisms for implementing public private partnerships, in order to find a more effective solution for the purpose of discharging the Community's budget.***

Amendment 25
Article 17

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the ARTEMIS Joint Undertaking.

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State concerning **assistance with regard to** office accommodation, privileges and immunities and other support to be provided by Belgium to the ARTEMIS Joint Undertaking.

Justification

It should be clearly stipulated that the host country of any agency or similar Community body is expected to provide financial and all other assistance necessary to facilitate the setting-up and running of the Community body.

Amendment 26
Annex, Article 1, paragraph 3

3. The ARTEMIS Joint Undertaking shall be established as from the publication of these Statutes in the Official Journal of the European Communities for a period ending on 31 December 2017.

3. The ARTEMIS Joint Undertaking shall be established as from the publication of these Statutes in the Official Journal of the European Communities for a period ending on 31 December 2017. ***It shall be ensured that after the last call for proposals in 2013 projects still in progress are implemented, monitored and funded until 2017.***

Justification

Same as for recital 11.

Amendment 27
Annex, Article 1, paragraph 5 a (new)

5a. The ARTEMIS Joint Undertaking is a body as referred to in Article 185 of the Financial Regulation and Point 47 of the IIA of 17 May 2006.

Amendment 28
Annex, Article 1, paragraph 4

4. This period may be extended by

deleted

amending these Statutes in accordance with the provisions of Article 23, taking into account the progress made towards achieving the objectives of the ARTEMIS Joint Undertaking and provided that financial sustainability is ensured.

Amendment 29
Annex, Article 2, paragraph 1, point (d)

(d) ensure the efficiency and durability of the JTI on Embedded Computing Systems; *deleted*

Justification

As described in regards to amended Article 2 d of the Council Regulation, the definition of “JTI” is unclear. Therefore 2.1.d should be deleted.

Amendment 30
Annex, Article 2, paragraph 2, point (d a) (new)

(da) to promote the involvement of SMEs in its activities;

Justification

It is important to specify the role of the SMEs in the objectives.

Amendment 31
Annex, Article 2, paragraph 2, point (h)

(h) to publish information on the Projects, including the name of the participants and the amount of the financial contribution of the ARTEMIS Joint Undertaking;

*(h) to publish information on the Projects, including the name of the participants and the amount **per participant** of the financial contribution of the ARTEMIS Joint Undertaking;*

Justification

This addition enables Artemis to determine the contributions owed by its members to Artemis, which contributions are based on their costs in Projects. These contributions are essential for Artemis to fund its commitment to the JU.

Amendment 32
Annex, Article 4, paragraph 4

4. Decisions of the Governing Board on accession of any other legal entity or recommendations of the Governing Board on the accession of Third Countries shall be made taking into account the relevance and potential added value of the applicant for the achievement of the objectives of the ARTEMIS Joint Undertaking.

4. Decisions of the Governing Board on the accession of any other legal entity or recommendations of the Governing Board on the accession of Third Countries shall be made taking into account the relevance and potential added value of the applicant for the achievement of the objectives of the ARTEMIS Joint Undertaking. ***In the event of an application for membership, the Governing Board shall provide timely information to the Commission on the assessment made of the applicant and, where applicable, on the recommendation or decision of the Governing Board. The Commission shall transmit this information to the Council.***

Justification

Information is required for the sake of transparency on the membership of ARTEMIS.

Amendment 33
Annex, Article 4, paragraph 5

5. Any Member may withdraw from the ARTEMIS Joint Undertaking. Withdrawal shall become effective and irrevocable six months after notification to the other Members following which the former Member shall be discharged from any obligations other than those already ***existing previous to its*** withdrawal.

5. Any Member may withdraw from the ARTEMIS Joint Undertaking. Withdrawal shall become effective and irrevocable six months after notification to the other Members following which the former Member shall be discharged from any obligations other than those already ***undertaken through a decision of the ARTEMIS Joint Undertaking in accordance with these Statutes prior to the Member's withdrawal. The obligation to give six months' notice shall not apply when a Member's withdrawal is based upon and a direct consequence of amendment of these Statutes.***

Justification

If only the Commission and not the Governing board can amend the Statutes in future, Members should be able to react to amendments of the Statutes.

Amendment 34
Annex, Article 6, paragraph 2, point (c)

(c) approve the **Financial Regulation** of the ARTEMIS Joint Undertaking according to Article 13 of these Statutes;

(c) approve the **financial rules** of the ARTEMIS Joint Undertaking according to Article 13 of these Statutes, **after consulting the Commission**;

Justification

See Recital 25.

Amendment 35
Annex, Article 7, paragraph 2, point (e)

(e) approve the launch of calls for proposals;

(e) approve **the content, the objectives and** the launch of calls for proposals;

Justification

Clarification of the tasks of the Public Authorities Board regarding the calls for proposals.

Amendment 36
Annex, Article 7, paragraph 3, point (b)

(b) The Public Authorities Board shall elect its Chairperson.

(b) The Public Authorities Board shall elect its Chairperson **every two years. The same Chairperson may be re-elected no more than twice.**

Justification

A longer period of office for the chairperson ensures better and more efficient forward planning on the one hand whereas a certain time limit for the office also provides for the balance of power and the post may still be rotated among members. Limiting the possibility for re-election works as a safeguard against monopolisation of the post.

Amendment 37
Annex, Article 9, paragraph 2

2. The Executive Director shall be appointed by the Governing Board **from a**

2. The Executive Director shall be appointed by the Governing Board **on the**

list of candidates proposed by the Commission, for a period of up to three years. After an evaluation of the Executive Director's performance, the Board may extend the term of office once for a further period of not more than **four years**.

basis of a list of candidates proposed by the Commission **following a call for expression of interest published in the Official Journal of the European Union and in other periodicals or on Internet sites**, for a period of up to three years. After an evaluation of the Executive Director's performance, the Board may extend the term of office once for a further period of not more than **three years**.

Justification

For sake of transparency and consistency are proposed the same appointment procedures adopted for the ITER Joint Undertaking and other Community Bodies. Seven years of permanence in office seem excessive. As a general rule, the extension period should not exceed the initial mandate.

Amendment 38

Annex, Article 10, paragraph 2, point (b)

(b) a Community contribution to fund the **R&D Activities**;

(b) a Community contribution to fund the **Projects**;

Justification

Throughout the Council Regulation as well as the JU Statutes the definitions of “R&D Activities” and “Projects” partly overlap and lead to confusion and inconsistencies. Amongst other things we would therefore like to bring Article 10.2.b into line with Article 10.5.a.

Amendment 39

Annex, Article 10, paragraph 4, point (a)

(a) ARTEMISIA shall make a contribution of up to EUR 20 million or up to 1% of the overall costs of Projects, whichever figure is higher, but not exceeding EUR 30 million;

(a) ARTEMISIA shall make a contribution of up to EUR 20 million or up to 1% of the overall costs of Projects, whichever figure is higher, but not exceeding EUR 30 million. **The overall costs of Projects shall mean the sum of the total costs (as defined in footnote 32) of all Projects;**

Justification

A clear and unambiguous definition of “overall costs” as the basis of ARTEMIS’s financial

contribution to the running costs is needed.

Amendment 40

Annex, Article 10, paragraph 4, point (d a) (new)

(da) the sum of the contributions referred to in points (a) and (b) shall not exceed 5% of the overall budget of the ARTEMIS Joint Undertaking.

Amendment 41

Annex, Article 10, paragraph 5, point (c)

(c) in-kind contributions by research and development organisations participating in Projects which shall **bear their share of the necessary cost of carrying out the Projects.** Their overall contribution over the duration of the ARTEMIS Joint Undertaking shall be equal to or greater than the contribution of public authorities.

(c) in-kind contributions by research and development organisations participating in Projects, which shall **be subject to an evaluation of their value and relevance to the carrying-out of the activities of the ARTEMIS Joint Undertaking and to acceptance by the Governing Board.** The procedure for evaluating in-kind contributions shall be adopted by the Governing Board. It shall be based on the following principles:

- the overall approach shall be based on the **modus operandi of the Seventh Framework Programme, whereunder in-kind contributions to projects are assessed at review level;*****
- the **implementing rules of the ARTEMIS Joint Undertaking Financial Regulations shall be used as guide;*****
- **additional items shall be covered by International Accounting Standards;*****
- **evaluation of contributions shall take place in accordance with the values generally accepted on the market in question (Article 172(2)(b) of the Financial*****

Regulation).

Verification shall be carried out by an independent auditor.

Amendment 42
Annex, Article 10, paragraph 7

7. Should any Member of the ARTEMIS Joint Undertaking be in default of its commitments concerning its agreed financial contribution to the ARTEMIS Joint Undertaking, the Executive Director shall convene a meeting of the Governing Board to decide whether ***the remaining Members should revoke*** the defaulting Member's membership or if any other measures should be taken until its obligations have been met.

7. Should any Member of the ARTEMIS Joint Undertaking be in default of its commitments concerning its agreed financial contribution to the ARTEMIS Joint Undertaking, the Executive Director ***shall notify such Member in writing thereof and shall set a reasonable period in which such default may be remedied. If the default has not been remedied within such period, the Executive Director*** shall convene a meeting of the Governing Board to decide whether the defaulting Member's membership ***should be revoked*** or if any other measures should be taken until its obligations have been met.

Justification

This is to avoid conflicts between this clause and clause 6.2 (b).

Amendment 43
Annex, Article 13, points (1) to (3)

Financial **Regulation**

1. The **Financial Regulation** of the ARTEMIS Joint Undertaking shall be adopted by the Governing Board.
2. The purpose of the **Financial Regulation** is to ensure the sound financial management of the ARTEMIS Joint Undertaking.
3. ***The Financial Regulation shall be based on the principles of the Framework Financial Regulation and shall include provisions for the planning and implementation of the budget of the***

Financial **rules**

1. The **financial rules** of the ARTEMIS Joint Undertaking shall be adopted by the Governing Board ***after consulting the Commission.***
2. The purpose of the **financial rules** is to ensure the sound financial management of the ARTEMIS Joint Undertaking.
3. ***The ARTEMIS Joint Undertaking's financial rules may not depart from Regulation (EC, Euratom) No 2343/2002, unless its specific operating needs so require. The prior consent of the***

ARTEMIS Joint Undertaking. The Financial Regulation may depart from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission.

Commission shall be required for the adoption of any rules which depart from Regulation (EC, Euratom) No 2343/2002. The budgetary authority shall be informed of such derogations.

Justification

See Recital 25.

44

Annex, Article 13, point 4

Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure that shall be provided for by the ***Financial Regulation*** of the ARTEMIS Joint Undertaking.

Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council, in accordance with a procedure provided for by the ***financial rules*** of the ARTEMIS Joint Undertaking, ***respecting the Court of Auditor's competence to examine the revenue and expenditure accounts of all bodies set up by the Communities and recognizing the specificities of the Joint Technology Initiatives as new mechanisms for implementing public private partnerships, in order to find a more effective solution for the purpose of discharging the Community's budget.***

Amendment 45

Annex, Article 14, paragraph 1

1. The Multiannual Strategic Plan shall specify the strategy and plans for achieving the objectives of the ARTEMIS Joint Undertaking, including the Research Agenda.

1. The Multiannual Strategic Plan shall specify the strategy and plans for achieving the objectives of the ARTEMIS Joint Undertaking, including the Research Agenda. ***Once approved by the Governing Board, the Multiannual Strategic Plan shall be made public.***

Justification

The Multiannual Strategic Plan, describing the activities planned for the following years, is of utmost importance for potential future participants.

Amendment 46 Annex, Article 14, paragraph 2

2. The Annual Work Programme shall describe the scope and budget of calls for proposals needed to implement the Research Agenda for a particular year.

2. The Annual Work Programme shall describe the scope and budget of calls for proposals needed to implement the Research Agenda for a particular year.
Once approved by the Governing Board, the Annual Work Programme shall be made public.

Justification

Needless to underline the relevance of the Annual Work Programme for the potential applicants to Calls.

Amendment 47 Annex, Article 14, paragraph 3

3. The Annual Implementation Plan shall specify the plan for the execution of all the activities of the ARTEMIS Joint Undertaking for a particular year, including planned calls for proposals and actions needing to be implemented through Calls for tenders. The Annual Implementation Plan shall be presented by the Executive Director to the Governing Board together with the Annual Budget Plan.

3. The Annual Implementation Plan shall specify the plan for the execution of all the activities of the ARTEMIS Joint Undertaking for a particular year, including planned calls for proposals and actions needing to be implemented through Calls for tenders. The Annual Implementation Plan shall be presented by the Executive Director to the Governing Board together with the Annual Budget Plan. ***Once approved by the Governing Board, the Annual Implementation Plan shall be made public.***

Justification

For information and transparency on Artemis implemented activities.

Amendment 48 Annex, Article 14, paragraph 5

5. The Annual Activity Report shall present progress made by the ARTEMIS Joint Undertaking in each calendar year, in particular in relation to the Multiannual Strategic Plan and the Annual Implementation Plan for that year. The Annual Activity Report shall be presented by the Executive Director together with the Annual Accounts and balance sheets.

5. The Annual Activity Report shall present progress made by the ARTEMIS Joint Undertaking in each calendar year, in particular in relation to the Multiannual Strategic Plan and the Annual Implementation Plan for that year. The Annual Activity Report shall be presented by the Executive Director together with the Annual Accounts and balance sheets. ***This Annual Activity Report shall include the participation of SMEs in the R&D activities of the ARTEMIS Joint Undertaking.***

Amendment 49
Annex, Article 14, paragraph 6

6. Annual Accounts and balance sheets: within two months of the closure of each financial year, the Annual Accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Governing Board for approval. The Annual Accounts and balance sheets for the preceding year shall be submitted to the European Court of Auditors.

6. Annual Accounts and balance sheets: within two months of the closure of each financial year, the Annual Accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Governing Board for approval. The Annual Accounts and balance sheets for the preceding year shall be submitted to the European Court of Auditors ***and to the budgetary authority.***

Justification

Accounts and balance sheets need to be sent to the two arms of the budgetary authority for information.

Amendment 50
Annex, Article 15, paragraph 2

2. The ARTEMIS Joint Undertaking shall conclude grant agreements with Project participants for the implementation of the Projects. ***These*** grant agreements shall refer to and, where appropriate, rely on corresponding national grant agreements as referred to in Article 16(5)(b).

2. The ARTEMIS Joint Undertaking shall conclude grant agreements with Project participants for the implementation of the Projects. ***The terms and conditions of these*** grant agreements ***shall be in accordance with the financial rules of the ARTEMIS Joint Undertaking and*** shall

refer to and, where appropriate, rely on corresponding national grant agreements as referred to in Article 16(5)(b).

Justification

The terms and conditions of the grant agreements should always be in accordance with the Financial Regulation (even when no national grant agreement exists).

Amendment 51

Annex, Article 16, paragraph 4, point (a)

(a) Calls for proposals launched by the ARTEMIS Joint Undertaking shall be open to participants established in ARTEMIS Member States and in any other Member State of the European Union or Associated Country.

a) Calls for proposals launched by the ARTEMIS Joint Undertaking shall be open to participants established in ARTEMIS Member States and in any other Member State of the European Union or Associated Country. ***Calls for proposals shall be made public to the greatest extent possible through periodicals, Internet sites, etc.***

Justification

In order to promote an open and wide participation in Artemis R&D activities.

Amendment 52

Annex, Article 18, paragraph 1

1. The staff resources shall be determined in an establishment plan to be set out in the Annual Budget Plan.

1. The staff resources shall be determined in an establishment plan to be set out in the Annual Budget Plan ***and to be forwarded by the Commission to the European Parliament and the Council together with the preliminary draft budget of the European Union.***

Justification

As is the case with the Joint Undertakings already in existence, the ARTEMIS JU's establishment plan should be published by the Commission together with the PDB.

Amendment 53

Annex, Article 18, paragraph 2

2. The members of the staff of the ARTEMIS Joint Undertaking shall be temporary agents and contract agents and shall have fixed-term contracts extendable once up to a maximum total period of seven years.

deleted

Amendment 54
Annex, Article 19, paragraph 6

6. The Members are not liable for any of the ARTEMIS Joint Undertaking's **financial** obligations. The financial liability of the Members is an internal liability towards the ARTEMIS Joint Undertaking only, and is limited to their commitment to contribute to the resources as set out in Article 10(2).

6. The Members are not liable for any of the ARTEMIS Joint Undertaking's obligations. The financial liability of the Members is an internal liability towards the ARTEMIS Joint Undertaking only, and is limited to their commitment to contribute to the resources as set out in Article 10(2).

Justification

The exclusion of liability should apply to all obligations of the JU. "Financial obligations" might be interpreted in a more restrictive way than the obligations referred to in Article 19.4.

Amendment 55
Annex, Article 19, paragraph 7

7. **The** financial liability of the ARTEMIS Joint Undertaking for its debts is limited to the contributions that the Members have made to the running costs as set out in Article 10 (2).

7. With the exception of the financial contributions due to Project participants pursuant to Article 16(5)(a), the financial liability of the ARTEMIS Joint Undertaking for its debts is limited to the contributions that the Members have made to the running costs as set out in Article 10(2).

Justification

Without this addition, this article might have the unintended effect that grant agreements of the JU are not enforceable by Project participants to the extent that grant agreements have a value beyond the contributions of Members to support the running costs of the JU. In various, if not all, national jurisdictions of EU Member States, obligations resulting from contracts are considered "debts".

Amendment 56
Annex, Article 22, paragraph 5

5. When any physical asset has been dealt with as provided for in paragraph 4, any further assets shall be used to cover the liabilities of the ARTEMIS Joint Undertaking and the costs relating to its winding-up. Any surplus *or deficit* shall be distributed among *or met by* the Members existing at the time of the winding-up in proportion to their actual contribution to the ARTEMIS Joint Undertaking.

5. When any physical asset has been dealt with as provided for in paragraph 4, any further assets shall be used to cover the liabilities of the ARTEMIS Joint Undertaking and the costs relating to its winding-up. Any surplus shall be distributed among the Members existing at the time of the winding-up in proportion to their actual contribution to the ARTEMIS Joint Undertaking.

Justification

The reference to “deficit” should be deleted, since this would imply a liability of members of the JU for obligations of the JU, in contradiction with Article 19.6.

Amendment 57
Annex, Article 23, paragraph 3

3. Proposals for amendments to the Statutes shall be approved by the Governing Board according to the provisions of Article 6 and submitted to the Commission for decision.

3. Proposals for amendments to the Statutes shall be approved by the Governing Board according to the provisions of Article 6 and submitted to the Commission for decision *after consulting the European Parliament.*

Justification

The European Parliament needs to be consulted on any important changes to the JU's statutes.

Amendment 58
Annex, Article 23, paragraph 4

4. Notwithstanding paragraph 3, any amendment proposed to Article 1(3), Article 4 (3), Article 10(4)(b) Article 10(5)(a) shall be considered as an essential aspect and therefore subject to a revision of this Regulation.

4. Notwithstanding paragraph 3, any amendment proposed to Article 1(3), Article 4(3), **Article 6(1), Article 7(1), Article 9(2)**, Article 10(4)(b), Article 10(5)(a) ,) **and Article 19** shall be considered as an essential aspect and therefore subject to a revision of this Regulation.

Justification

The above articles concern sensitive issues related to the functioning, effectiveness, credibility and transparency of Artemis. Any change requires an Institutional Decision.

Amendment 59

Annex, Article 24, paragraph 2, point (a)

(a) “Information” shall mean any drawings, specifications, photographs, samples, models, processes, procedures, instructions, software, reports, papers, or any other technical and/or commercial information, know-how, data or documents of any kind, including oral information, other than ***subject matter protected by*** “Intellectual Property Rights” (IPR);

(a) “Information” shall mean any drawings, specifications, photographs, samples, models, processes, procedures, instructions, software, reports, papers, or any other technical and/or commercial information, know-how, data or documents of any kind, including oral information, other than “Intellectual Property Rights” (IPR);

Justification

Without our deletion, the definition might become unclear, since a lot of “Information” might be material covered by IPR.

Amendment 60

Annex, Article 24, paragraph 2, point (i)

(i) “Access Right” shall mean non-exclusive licences and user rights to Foreground or Background, which rights shall not include the right to sublicense unless otherwise agreed upon in the Project Agreement;

(i) “Access Right” shall mean non-exclusive licences and user rights to Foreground or Background ***to be granted under Project Agreements***, which rights shall not include the right to sublicense unless otherwise agreed upon in the Project Agreement;

Justification

The addition clarifies that access rights will be granted under Project Agreements and e.g. not like in FP projects by the grant agreement (as well). The grant agreement should refer to this IPR policy only and stipulate that project participants must make an IPR arrangement that is not in conflict with this policy.

Amendment 61

Annex, Article 24, paragraph 2, point (j)

(j) “Needed” shall mean “technically essential” for the implementation of the

(j) “Needed” shall mean “technically essential” for the implementation of the

Project and/or in respect of *use* of Foreground and, where Intellectual Property Rights are concerned, shall mean that those Intellectual Property Rights would be infringed if the Access Rights were not granted;

Project and/or in respect of *Use* of Foreground and, where Intellectual Property Rights are concerned, shall mean that those Intellectual Property Rights would be infringed if the Access Rights were not granted;

Justification

Since 'Use' is a term defined in this contract it should be written with a capital 'U'.

Amendment 62

Annex, Article 24, paragraph 3, subparagraph 3.2.1.

3.2.1. Project participants in the same Project shall conclude among themselves a Project Agreement that shall govern, inter alia, the Access Rights to be granted in accordance with this Article. Project participants may define the Background needed for the purposes of the Project and, where appropriate, may agree to exclude specific Background.

3.2.1. Project participants in the same Project shall conclude among themselves a Project Agreement that shall govern, inter alia, the Access Rights to be granted in accordance with this Article. ***Project participants may decide to grant broader Access Rights than required by this Article.*** Project participants may define the Background needed for the purposes of the Project and, where appropriate, may agree to exclude specific Background.

Justification

The Access Rights to be granted under this Article should be granted at all times, but Project participants may decide to grant broader Access Rights.

Amendment 63

Annex, Article 24, paragraph 3, subparagraph 3.2.4.

3.2.4. Participants in the same Project shall enjoy Access Rights to Background if this is needed for the Use of their own Foreground of that Project, provided that the owner of the Background is entitled to grant them. Such Access Rights shall be granted on a non-exclusive basis on fair, reasonable and non-discriminatory conditions.

3.2.4. Participants in the same Project shall enjoy Access Rights to Background if this is needed for the Use of their own Foreground of that Project, provided that the owner of the Background is entitled to grant them. Such Access Rights shall be granted on a non-exclusive, ***non-transferable*** basis on fair, reasonable and non-discriminatory conditions.

Justification

The addition is made to avoid that due to the difference with 3.2.3 this clause might be interpreted as granting “transferable” access rights.

Amendment 64

Annex, Article 24, paragraph 3, subparagraph 3.3.1.

3.3.1. Where Foreground is capable of being profitably exploited, its owner (i) shall provide for its appropriate and effective protection, having due regard to its legitimate interests, particularly commercial interests, ***and those of the other participants in the Project concerned*** and (ii) shall use it or ensure that it is used.

3.3.1. Where Foreground is capable of being profitably exploited, its owner (i) shall provide for its appropriate and effective protection, having due regard to its legitimate interests ***and legitimate interests of other participants in the Project concerned***, particularly commercial interests, and (ii) shall use it or ensure that it is used.

Justification

'Particularly commercial interest' should refer to both the Party providing Foreground as well as the other participants in the Project.

Amendment 65

Annex, Article 24, paragraph 3, subparagraph 3.4, point 3.4.1

3.4.1. Where a participant transfers ownership of Foreground, it shall pass on its obligations regarding such Foreground to the transferee ***including the obligation to pass those obligations on to any subsequent transferee. These obligations shall include*** those relating to the granting of Access Rights, and dissemination and use.

3.4.1. Where a participant transfers ownership of Foreground, it shall pass on its obligations regarding such Foreground to the transferee, ***in particular*** those relating to the granting of Access Rights and ***their*** dissemination and use. ***Upon any such transfer, the participant concerned shall notify the other participants in the same Project of the name and contact details of the transferee.***

Justification

To make the process more industry friendly, the above text should be changed and clause (24.3.4.2) deleted.

Amendment 66

Annex, article 24, paragraph 3, subparagraph 3.4, point 3.4.2

3.4.2. Subject to its obligations concerning confidentiality, where a Project participant is required to pass on its obligations to provide access rights, it shall give at least 45 days prior notice to the other participants of the envisaged transfer , together with sufficient information concerning the envisaged new owner of the Foreground to permit the other participants to exercise their access rights. Following notification, any other participant may object within 30 days or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its access rights. Where any of the other participants demonstrate that their access rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between participants concerned. *deleted*

Justification

Requirements on transfer are unnecessarily burdensome. The interests of other participants are protected by the obligations on transfer in Article 24.3.4.1. to respect the rights of those other participants.

EXPLANATORY STATEMENT

Background

Joint Technology Initiatives (JTIs) are introduced in the Specific Programme "Cooperation" of the Seventh Framework Programme (FP7) as a new mechanism to implement public-private partnerships for R&D. They arise from the work of European Technology Platforms (ETPs) launched in the 6th Framework Programme which "bring together public and private stakeholders to set up and implement common research agendas in fields of industrial relevance".

A number of ETPs have developed Strategic Research Agendas of such a scope and scale that require the substantial mobilisation of public and private resources to implement them.

The ARTEMIS JTI aims to create a single, Europe wide R&D programme that will help EU industry to achieve world leadership in embedded computing technologies. To this end it will combine national, EU and private resources within a legal framework, a Joint Undertaking under Article 171 of the Treaty.

Why is ARTEMIS needed?

Europe is facing the challenges of the next generation of information technology systems, the "embedding of intelligence" which adds value to all kinds of products from cars and planes to mobile phones and pacemakers. Embedded systems will add to the innovation potential and competitiveness of existing European industries and will help create new markets and applications from personal health systems to environmental monitoring.

Embedded systems are the computers used in larger systems to control equipment and functions. Already in 2000, 98% of computing devices sold worldwide were embedded in products. Forecasts predict more than 16 billion embedded devices by 2010 and over 40 billion by 2020. Within the next five years, the share of embedded systems in the value of final products is expected to reach significant levels (e.g. 36% in automotive, 37% in telecommunications or 41% in consumer electronics).

However, EU research investment in embedded systems is lagging well behind the US and Japan. In Europe current R&D funding is fragmented in national, trans-national (eg. EUREKA) and Community programmes with no common objectives.

The increasing complexity and sophistication of embedded systems requires advanced skills that are scarce and results in huge technological R&D and innovation challenges that currently cannot be met.

A number of negative impacts can be identified if no action is taken: Europe would be unable to reap the benefits from the new markets created by the "embedding of intelligence", would become dependent on non-European technology (as it already happened with the desktop and internet ICT waves), and will be unable to nurture and retain the talent needed in relevant

fields.

The Commission expects that ARTEMIS will achieve integration of national efforts by pursuing common objectives, leveraging effect of Community funding by Member States, reduced time to project and economic impacts through technology.

The rapporteur's position

The rapporteur considers the introduction of JTIs, as proposed by the EC, positive for two main reasons:

1. it allows an efficient and concrete collaboration between the public and the private sectors;
2. it promotes the maximisation of the use of Community financial resources.

The rapporteur underlines also the fact that all proposed JTIs, and ARTEMIS in particular, are to be considered as concrete examples of the implementation of the Lisbon Strategy at European level, and for this reason they are of particular relevance for EU industry.

The rapporteur shares the concerns, which have been expressed by several actors, that the unnecessary settlement of additional Community agencies with excessive running costs should be avoided. Taking into account this worries, nevertheless, the rapporteur considers the juridical structure proposed by the Commission (a Community body) as the best solution possible to implement a private-public partnership and notes the distinction between its purpose and the purpose of Community agencies. A practical solution to above concerns can be found with the introduction of a *sunset clause* for the proposed mechanisms, which will limit the lifetime of ARTEMIS and allow for early assessment and termination if necessary.

The European Parliament should take into account the positive position on the EC proposal of the industry sector. Concerning any worries about excessive running and bureaucratic costs in Community bodies, the ARTEMIS industry accepts to bear the majority of the JU's administrative costs: this private participation is the best guarantee of expenses control.

The rapporteur shares the concerns of the industry on the timing of the JTI adoption, for not losing precious time for the implementation of research activities. If the European Parliament and the Member States don't reach an agreement and adopt the proposal before the end of the year 2007, the European industry and research would lose a whole year of activities. This would have serious effects on the EU competitiveness at a global level, particularly in the sector of embedded computing systems, where US and Japanese industries are very strong competitors.

With regards to the sensitive issue of SMEs, the rapporteur would like to underline that, from one side, it is important to follow the EP approach which ensures SMEs participation within the 7FP research activities. On the other side, the setting up of minimum thresholds for the participation of SMEs would be unnecessary and possibly counterproductive. The level of SMEs participation in the ARTEMIS JU, in fact, is expected to be higher than the compromise target set for the 7FP (15%) because in this particular area of research the average SME participation in the 7FP comes close to 30%. Given that the JTI will support

more applied research than in the 7FP we can be optimistic that the participation of SMEs could even be greater.

The rapporteur suggests to report every year on the effective participation of SMEs in research activities.

In conclusion, the rapporteur suggestion to the EP is to support the EC proposal in view of creating a partnership that will bring together private, national and Community resources to support EU industrial research objectives through a Community-level process, and to respond to the needs of the industry, approving decisions which would ensure time and cost efficiency and simplicity in the running of the proposed mechanism.

Of course, this approach is fully compatible with the drafting of punctual amendments on specific subjects, once a proper agreement between the EU institutions is reached on the general structure of ARTEMIS.

13.11.2007

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Industry, Research and Energy

on the proposal for a Council regulation on the establishment of the "ARTEMIS Joint Undertaking" to implement a Joint Technology Initiative in Embedded Computing Systems (COM(2007)0243 – C6-0172/2007 – 2007/0088(CNS))

Draftswoman: Jutta Haug

SHORT JUSTIFICATION

Commission proposal

Joint Technology Initiatives (JTIs) are introduced in the Seventh Framework Programme¹ (FP7) as a new way of realising public-private partnerships in research at European level. JTIs arise primarily from the work of European Technology Platforms (ETPs). In a small number of cases, ETPs have reached such an ambitious scale and scope that they will require the mobilisation of considerable public and private investments as well as substantial research resources to implement important elements of their Strategic Research Agendas. JTIs are proposed as an effective means of meeting the needs of this small number of ETPs.

In the Cooperation Specific Programme² six areas are identified where a JTI could have particular relevance: hydrogen and fuel cells, aeronautics and air transport, innovative medicines, embedded computing systems, nanoelectronics and GMES (global monitoring for environment and security).

Against this background, the ARTEMIS Joint Undertaking (ARTEMIS JU) is the legal entity that will be responsible for implementation of the Joint Technology Initiative in embedded computing systems (ARTEMIS JTI). Embedded systems are the computers used in larger systems to control equipment such as automobiles, home appliances, communication devices, control systems and office machines. More than 90% of computing devices are embedded and forecasts predict more than 16 billion embedded devices by 2010 and over 40 billion by 2020. Within the next five years, the share of embedded systems in the value of the final product is

¹ OJ L 412, 30.12.2006, p. 1.

² OJ L 400, 30.12.2006, p. 66-241.

expected to reach unprecedented levels in key industrial sectors (e.g. 36% in the automotive sector, 37% in telecommunications or 41% in consumer electronics).

The present Commission proposal relates to the setting-up of the ARTEMIS JU under Article 171 of the Treaty. It should be considered as a Community body and be established for a period ending on 31 December 2017. It will have its seat in Brussels, Belgium.

Financial implications

The budgetary assessment indicates maximum Community expenditure of EUR 420 million over the initial period of the ARTEMIS Joint Undertaking (up to 2017), which would need to be committed before 31 December 2013, when the FP7 budget comes to an end. An initial EUR 42 500 000 is to be committed in 2008.

Two new budget lines will be created for the EU contribution:

09 04 01 10 "Research and Development activities of the ARTEMIS JTI "

09 04 01 20 "Support expenditure for the ARTEMIS JTI "

with the following expenditure profile:

<i>EUR million (to 3 decimal places)</i>									
Expenditure type	Section No		Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012 and later	Total
Operational expenditure¹									
Commitment Appropriations (CA)	8.1	a	0	41	53.5	63.5	75.5	176.5	410
Payment Appropriations (PA) ²		b	0	12.45	28.5	47.55	61.9	259.6	410
Administrative expenditure³ within reference amount⁴									
Technical & administrative assistance (NDA)	8.2.4	c	0	1.5	2.0	2.0	1.5	3	10
TOTAL REFERENCE AMOUNT⁵									

¹ Expenditure 09 04 01 10 "Research and Development activities of the ARTEMIS JTI ".

² Payment appropriations are calculated on the basis of average duration of projects (2,5 years) and payments over 4 years of which 30% in Y1 (advance payment), 10% in Y4, and 30% in Y2 and Y3

³ Expenditure to cover the running costs of the JTI.

⁴ Expenditure 09 04 01 20 "Support expenditure for the ARTEMIS JTI ".

⁵ The reference amount is the amount of the Commission financial contribution to the ARTEMIS Joint Undertaking as stated in the legal instrument (EUR 420 million).

Commitment Appropriations		a+c	0	42.5	55.5	65.5	77	179.5	420
Payment Appropriations		b+c	0	13.95	30.5	49.55	63.4	262.6	420

Assessment

The draftswoman's amendments are mainly based on two concerns:

1) The JU is established for an initial period ending on 31 December 2017 (which may even be extended to a later date), whereas the MFF only covers the period up to 2013. Therefore, any request for Community funding for the ARTEMIS JU after 2013 has to be newly evaluated in the context of the negotiations for a new financial framework.

As for the current period, the proposal - although falling under Heading 1a with its dwindling margins - is compatible with the MFF, for the simple reason that the EU contribution required is taken from the 7th FP and has as such already been included in the Commission's financial programming.

Nevertheless, your draftswoman would like to point out that no financial commitments can be made for the time after the current MFF (Amendment 1).

2) By analogy with the negotiations on the ITER Joint Undertaking at the beginning of 2007, which led to the Conclusions agreed at the Trilogue of 7 March 2007, the ARTEMIS JU has to be considered as an agency within the meaning of Article 185 FR and is therefore subject to an agreement by the budgetary authority on its financing (Amendments 2, 3, 6 and 10).

At the same time, if the basic assumption is that the ARTEMIS JU is to be treated as an agency for budgetary purposes, it has to be consistent with the general approach on agencies that the Committee on Budgets has developed over the past years. Your draftswoman therefore presents a series of amendments which guarantee such a consistent approach (Amendments 4-5, 7-9, 11-15).

AMENDMENTS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Draft legislative resolution

Amendment 1
Paragraph 1 a (new)

1a. Considers that the reference amount indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the current multiannual financial framework 2007 - 2013 and with the provisions of Point 47 of the Interinstitutional Agreement (IIA) of 17 May 2006; notes that any financing beyond 2013 shall be evaluated in the context of the negotiations for the next financial framework;

Amendment 2
Paragraph 1 b (new)

1b. Recalls that the opinion delivered by the Committee on Budgets does not pre-empt the outcome of the procedure laid down in Point 47 of the IIA of 17 May 2006 which applies to the setting up of the ARTEMIS Joint Undertaking;

Proposal for a regulation

Text proposed by the Commission

Amendments by Parliament

Amendment 3
Citations 1 a and 1 b (new)

Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹ (Financial Regulation), and in particular Article 185 thereof,

Having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management² (IIA), and in particular Point 47 thereof,

¹ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

² OJ C 139, 14.6.2006, p. 1.

Justification

By analogy with the conclusions of the trilogue of 7 March 2007 on the Joint Undertaking for

ITER, the ARTEMIS JU is also to be considered a Community agency for the purpose of the application of point 47 of the IIA. This has to be reflected in the legal bases referred to in the Regulation.

Amendment 4

Recital 12

(12) The ARTEMIS Joint Undertaking should be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament, ***on the recommendation of the Council, taking however into account the specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.***

(12) The ARTEMIS Joint Undertaking should be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament, ***taking into account a recommendation from the Council.***

Justification

By analogy with the conclusions of the trilogue of 7 March 2007 on the Joint Undertaking for ITER, the European Parliament should be given full and unconditional responsibility for the discharge of the implementation of the budget of the ARTEMIS JU.

Amendment 5

Recital 25

(25) ***The ARTEMIS Joint Undertaking should have, subject to prior consultation with the Commission, a distinct financial regulation based on the principles of the framework financial regulation which takes into account its specific operating needs arising, in particular, from the need to combine Community and national funding to support R&D Activities in an efficient and timely manner.***

(25) ***The financial rules applicable to the ARTEMIS Joint Undertaking should not depart from Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of the Financial Regulation¹, unless specifically required for its operating needs, in particular the need to combine Community and national funding to support R&D Activities in an efficient and timely manner. The prior consent of the Commission should be required for the adoption of any rules which derogate from Regulation (EC, Euratom) No 2343/2002. The budgetary authority should be informed of such derogations.***

¹ OJ L 357, 31.12.2002, p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39

Justification

Derogations from Regulation (EC, Euratom) No 2343/2002 should be kept to an absolute minimum. The Joint Undertaking has to prove beyond any doubt that such a derogation is the only way to guarantee its proper functioning within the limits of its founding regulation.

Amendment 6 Article 1, paragraph 1

1. For the implementation of the Joint Technology Initiative (JTI) on Embedded Computing Systems, a Joint Undertaking within the meaning of Article 171 of the Treaty hereinafter referred to as the "ARTEMIS Joint Undertaking" is hereby set up for a period ending on 31 December 2017. This period may be extended by a revision of this Regulation.

1. For the implementation of the Joint Technology Initiative (JTI) on Embedded Computing Systems, a Joint Undertaking within the meaning of Article 171 of the Treaty hereinafter referred to as the "ARTEMIS Joint Undertaking" is hereby set up for a period ending on 31 December 2017. This period may be extended by a revision of this Regulation. ***The ARTEMIS Joint Undertaking is a body set up in accordance with Article 185 of the Financial Regulation and Point 47 of the IIA of 17 May 2006.***

Justification

See Amendment 3.

Amendment 7 Article 6, paragraph 1

1. The ARTEMIS Joint Undertaking Financial Regulation shall be based on the principles of the Framework Financial Regulation . It may depart from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the Commission.

1. The financial rules applicable to the ARTEMIS Joint Undertaking may not depart from Regulation (EC, Euratom) No 2343/2002, unless specifically required for its operating needs and subject to prior consent of the Commission. The budgetary authority shall be informed of such derogations.

Justification

See Amendment 5.

Amendment 8
Article 12, paragraph 4

4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, ***upon recommendation of the Council, in accordance with a procedure provided for by the Financial Regulation of the ARTEMIS Joint Undertaking.***

4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, ***taking into account a recommendation from*** the Council.

Justification

See Amendment 4.

Amendment 9
Article 17

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the ARTEMIS Joint Undertaking.

A host agreement shall be concluded between the ARTEMIS Joint Undertaking and the host State concerning ***the host State's assistance with regard to*** office accommodation, privileges and immunities and other support to be provided by Belgium to the ARTEMIS Joint Undertaking.

Justification

It should be clearly stipulated that the host country of any agency or similar Community body is expected to provide financial and all other assistance necessary to facilitate the setting-up and running of the Community body.

Amendment 10
Annex, Article 1, paragraph 3

3. The ARTEMIS Joint Undertaking shall be established as from the publication of these Statutes in the Official Journal of the

3. The ARTEMIS Joint Undertaking shall be established as from the publication of these Statutes in the Official Journal of the

European Communities for a period ending on 31 December 2017.

European Communities for a period ending on 31 December 2017. *It is a body set up in accordance with Article 185 of the Financial Regulation and Point 47 of the IIA of 17 May 2006.*

Justification

See Amendment 3.

Amendment 11
Annex, Article 6, paragraph 2, point (c)

(c) approve the **Financial Regulation** of the ARTEMIS Joint Undertaking according to Article 13 of these Statutes;

(c) approve the **financial rules** of the ARTEMIS Joint Undertaking according to Article 13 of these Statutes *after consulting the Commission*;

Justification

See Amendment 5.

Amendment 12
Annex, Article 13

Financial **Regulation**

1. The **Financial Regulation** of the ARTEMIS Joint Undertaking shall be adopted by the Governing Board.
2. The purpose of the **Financial Regulation** is to ensure the sound financial management of the ARTEMIS Joint Undertaking.
3. *The Financial Regulation shall be based on the principles of the Framework Financial Regulation and shall include provisions for the planning and implementation of the budget of the ARTEMIS Joint Undertaking. The Financial Regulation may depart from the Framework Financial Regulation where the specific operating needs of the ARTEMIS Joint Undertaking so require and subject to prior consultation with the*

Financial **rules**

1. The **financial rules** of the ARTEMIS Joint Undertaking shall be adopted by the Governing Board *after having consulted the Commission*.
2. The purpose of the **financial rules** is to ensure the sound financial management of the ARTEMIS Joint Undertaking.
3. *The ARTEMIS Joint Undertaking's financial rules may not depart from Regulation (EC, Euratom) No 2343/2002, unless necessary for its specific operating needs. The prior consent of the Commission shall be required for the adoption of any rules which derogate from Regulation (EC, Euratom) No 2343/2002. The budgetary authority shall be informed of such derogations.*

Commission.

4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, **upon** recommendation **of** the Council, in accordance with a procedure that shall be provided for by the **Financial Regulation** of the ARTEMIS Joint Undertaking.

4. Discharge for the implementation of the budget of the ARTEMIS Joint Undertaking shall be given by the European Parliament, **taking into account a** recommendation **from** the Council, in accordance with a procedure that shall be provided for by the **financial rules** of the ARTEMIS Joint Undertaking.

Justification

See Amendment 5.

Amendment 13
Annex, Article 14, paragraph 6

6. Annual Accounts and balance sheets: within two months of the closure of each financial year, the Annual Accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Governing Board for approval. The Annual Accounts and balance sheets for the preceding year shall be submitted to the European Court of Auditors.

6. Annual Accounts and balance sheets: within two months of the closure of each financial year, the Annual Accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Governing Board for approval. The Annual Accounts and balance sheets for the preceding year shall be submitted to the European Court of Auditors **and to the budgetary authority.**

Justification

Accounts and balance sheets need to be sent to the two arms of the budgetary authority for information.

Amendment 14
Annex, Article 18, paragraph 1

1. The staff resources shall be determined in an establishment plan to be set out in the Annual Budget Plan.

1. The staff resources shall be determined in an establishment plan to be set out in the Annual Budget Plan **and to be forwarded by the Commission to the European Parliament and the Council together with the preliminary draft budget of the European Union.**

Justification

As is the case with the Joint Undertakings already in existence, the ARTEMIS JU's establishment plan should be published by the Commission together with the PDB.

Amendment 15
Annex, Article 23, paragraph 3

3. Proposals for amendments to the Statutes shall be approved by the Governing Board according to the provisions of Article 6 and submitted to the Commission for decision.

3. Proposals for amendments to the Statutes shall be approved by the Governing Board according to the provisions of Article 6 and submitted to the Commission for decision ***after consultation of the European Parliament.***

Justification

The European Parliament needs to be consulted on any important changes to the JU's statutes.

PROCEDURE

Title	Establishment of the ARTEMIS Joint Undertaking
References	COM(2007)0243 - C6-0172/2007 - 2007/0088(CNS)
Committee responsible	ITRE
Opinion by Date announced in plenary	BUDG 19.6.2007
Drafts(wo)man Date appointed	Jutta Haug 20.9.2004
Discussed in committee	8.10.2007 12.11.2007
Date adopted	12.11.2007
Result of final vote	+: 15 -: 0 0: 0
Members present for the final vote	Reimer Böge, Gérard Deprez, Valdis Dombrovskis, Brigitte Douay, James Elles, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta Haug, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Margaritis Schinas, László Surján, Gary Titley, Kyösti Virrankoski

PROCEDURE

Title	Establishment of the ARTEMIS Joint Undertaking		
References	COM(2007)0243 - C6-0172/2007 - 2007/0088(CNS)		
Date of consulting Parliament	11.6.2007		
Committee responsible Date announced in plenary	ITRE 19.6.2007		
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 19.6.2007	CONT 19.6.2007	JURI 19.6.2007
Not delivering opinions Date of decision	CONT 17.7.2007	JURI 3.10.2007	
Rapporteur(s) Date appointed	Gianni De Michelis 7.6.2007		
Discussed in committee	5.11.2007		
Date adopted	12.11.2007		
Result of final vote	+: 37 -: 0 0: 0		
Members present for the final vote	Jan Březina, Renato Brunetta, Jerzy Buzek, Giles Chichester, Gianni De Michelis, Den Dover, Adam Gierek, Norbert Glante, András Gyürk, Fiona Hall, David Hammerstein, Ján Hudacký, Romana Jordan Cizelj, Anne Laperrouze, Angelika Niebler, Reino Paasilinna, Atanas Papanizov, Miloslav Ransdorf, Vladimír Remek, Herbert Reul, Teresa Riera Madurell, Andres Tarand, Britta Thomsen, Patrizia Toia, Nikolaos Vakalis, Dominique Vlasto		
Substitute(s) present for the final vote	Pilar Ayuso, Ivo Belet, Danutė Budreikaitė, Avril Doyle, Robert Goebbels, Satu Hassi, Edit Herczog, Vittorio Prodi, Hannes Swoboda, Lambert van Nistelrooij		
Substitute(s) under Rule 178(2) present for the final vote	Eva Lichtenberger		